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Agreeable insurance

Elevate the customer experience with a modern system of agreement

Executive summary

Insurance providers are investing heavily in digital transformation initiatives to simplify and accelerate core business processes and stay competitive—both in terms of operational efficiency and customer experience.

Customers want and expect digital speed, conveniences, and experiences now. But while insurers race toward the future with an eye on smart technologies like artificial intelligence (AI) and blockchain, they overlook one critical business process that remains painfully stuck in the past: the agreement process.

Agreements are key to the moments that matter in insurance, from selling policies to settling claims. But the process of preparing, signing, acting on, and managing agreements is still highly complex and manual—undermining the customer experience and any efforts to digitally transform it. Now, thanks to new digital technologies, insurance organizations can modernize their systems of agreement to get business done faster with less risk, lower costs, and better customer experiences. **That's agreeable insurance.**

67%

of customers say their standards for good experiences are higher than ever[1]

Customers expect digital speed and efficiency in every interaction

Insurance customers want business to be fast and easy, even when buying a policy and especially when submitting a claim. They also want personalized, digital experiences, whether engaging with carriers directly or through an agent or broker. Research shows that, no matter how digitally inclined or empowered, customers can appreciate the role technology plays in simplifying life and accelerating business.

The 2019 Accenture Global Financial Services Consumer Study found that more than 80% of customers across age groups — including 60% of more mature tech-avoiders — are willing to share data in return for receiving faster/easier services, more competitive/lower prices, or a priority service (e.g., fast-tracked claims settlement).[2] Interestingly, the study also found that while all customers — even younger generations — value the human touch when undertaking certain insurance activities, speed and efficiency were rated as the most important service criteria overall.[3]

On-demand services set the bar high

Today, the customer experience bar is set by on-demand services from tech giants like Amazon and Google. Digital, mobile-friendly technology has not only raised customer expectations but also redefined the competitive landscape of the insurance industry, putting established incumbents on the defensive. Insight from McKinsey & Company sums up the new paradigm:

"Attackers — insurers with pure-play digital business models — are using digital applications such as chatbots to turn the process of buying a policy or filing a claim into a fast, simple, and satisfying experience. This approach is a far cry from the analog, and often frustrating, processes of traditional insurers."[4]

Case in Point

"Instant Everything" from Lemonade

Lemonade, a property insurance startup founded in 2015, uses chatbots and AI to provide a faster and more seamless customer experience. It takes mere minutes to sign up for a policy, and the company has paid out claims in just three seconds thanks to automated anti-fraud algorithms and cash transfers. The result? Lemonade is consistently ranked the top provider of renters' insurance on ratings and reviews site Clearsurance.[6]

Agreements are key to the interactions that matter most

Signed, written agreements – between organizations, employees, partners, and customers – form the very fabric of business relationships. In the insurance business, agreements are used throughout the customer lifecycle, from applications to policies to claims. They are also used to conduct business among internal departments and with intermediaries. Examples include:

Application and enrollment forms

Insurance policies

Reseller agreements

First notice of loss (FNOL) forms

Claims supporting documents

Payment authorizations

Account change forms

Part 1 forms

IT asset tracking

Uninsured/underinsured selection/rejection forms
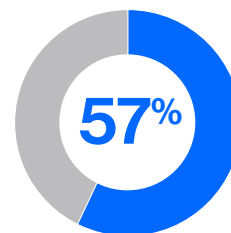
Slow, frustrating agreement processes cost customers

Every organization already has a "system" for getting agreements done. It consists of all the people, processes, and technologies involved in the entire agreement process – from preparing and signing documents to acting on terms and managing completed agreements. Unfortunately, most insurance carriers still have legacy systems of agreement that rely on too many manual, paper-based steps and not enough technology to automate and connect the process. Every delay, mistake, or frustration in the agreement process undermines the customer experience, increases costs, and raises the likelihood that customers will take their business elsewhere. That's a risk no traditional insurer can afford to take, now that the competition is just a click away.

Legacy systems aren't built for the speed of today

Established insurance organizations are especially challenged by the complexity of their legacy IT infrastructure. Many have been servicing active policies for decades – before the computer and Internet were even invented – and implementing new technologies slowly over the years. Unplanned technologies brought into the mix through acquisition and consolidation only add to the complexity and slow progress.

Today, most insurers know they are behind in the race to digitally transform their businesses, but simply ripping out or replacing these diverse, legacy systems is not a viable strategy. The fastest way forward is to transform customer experiences with a modern system of agreement that leverages existing investments to simplify and accelerate the agreement process.

57%

57% of consumers and business buyers have stopped buying from a company because a competitor provided a better experience.[7]

"Insurers need to do everything at once: do their homework, go out and play, and prepare for the exams in 10 years.' Would you like to try that with the 25+ year old legacy systems that most insurers are still using?"[8]

Dennis Grönger
InsurTech Professional
Author and Speaker

Elevate the customer experience with a modern system of agreement

When agreements – especially those required for policies and claims – can be done faster with less risk, lower costs, and better customer experiences, that's what we call agreeable insurance. And it's possible now, thanks to new digital technologies for enabling a modern system of agreement.

Organizations that already use electronic signature technology are ahead of the curve in streamlining the agreement process, with turnaround times measured in minutes or hours instead of days or weeks. E-signature technology is a foundational element of any modern system of agreement. But there are many manual steps before and after the signature that can now be automated and connected.

How are policies and other agreements prepared? Are reviews and approvals still done using word processing software and email? Can digital forms, such as FNOL, be pre-filled with the right personal information, or do customers and agents have to type or copy/paste text? Does data need to go into other systems after agreements are signed? How are payments or other obligations fulfilled? Are signed documents securely stored and easily retrieved when needed? Are downstream steps in the process automatically triggered, or do people need to push buttons or send email requests?

The more digital, automated, and connected, the better

Your system of agreement is at the heart of these questions. A modern system of agreement can simplify and accelerate every stage of the agreement process – before, during, and after the signature – significantly reducing, if not eliminating entirely:

Manual and paper-centric processes

Bottlenecks and delays

Errors, omissions, and rework

Frustration felt by customers and agents/brokers

Security and compliance risks

The more digital, automated, and connected you make it, the more time and money it saves, not to mention paper.

A 2019 Deloitte study found that protecting the environment is the top global societal concern of Millennials and Gen Zs. Insurance carriers targeting these younger generations would be wise to do away with paper processes once and for all by modernizing their systems of agreement.[9]

Four tenets for designing a modern system of agreement

If you have yet to adopt e-signature technology, that is job number one to achieve a quick win and build the business case for modernizing your entire system of agreement. But no matter where you are on your digital transformation journey, these four tenets will put you on a faster path to agreeable insurance:

Step 1
Take a mobile-first approach

When 54% of all financial services customers — and 87% of younger ones — say their smartphone is their principal device for transacting online, traditional insurance carriers can't just go digital; they need to go digital in a mobile-first way.[10]

Problematic PDFs

If you have forms digitized as PDF files, that's digital, but it's not mobile-first. Why not? Because PDFs are essentially digital pictures of paper, not easily edited or read on a smartphone. The text is often tiny; users must repeatedly pinch and zoom to read it. Not only is the experience frustrating, but it invites regulatory risk around inadequate disclosure to signers.

With a modern system of agreement, all agreements, including forms, can be presented as responsive digital content that automatically adapts to a mobile device's screen size and orientation. The questions on forms — as well as the steps required to complete an agreement (e.g., to comply with regulations) — can be minimized or changed based on location. Agreement terms can be auto-generated based on data from a smartphone. Even ID verification for mobile signers, if required, can be done using any phone with a camera. And, of course, with mobile banking growing 50% year over year, customers can pay their insurance bills and receive settlement payments via mobile device.

Insurtechs have been mobile-first from day one, while a few established carriers can now handle less-complex claims, from FNOL to settlement, completely via mobile device. How many (or how much) of your agreement processes can be done on a mobile device?

Step 2
Automate manual processes to eliminate human errors and delays, not the human touch

Insurance customers still value the human touch, and that's one big advantage traditional insurance carriers have over their online rivals. But if you're not automating what can be automated, you're not just wasting time and money by doing things manually; you're failing to deliver the digital speed and operational efficiency customers crave. You're also reducing the amount of time your agents can spend with customers on higher-value interactions.

Automation and smart technologies help people work better and faster together in the agreement process — at every stage, and from one stage to another. Even a little automation can go a long way to accelerate the process and increase customer satisfaction.

For example, a 2019 study by LexisNexis found that one in five consumers currently prefers claim self-service options but complains that the self-service First Notice of Loss (FNOL) process asks too many questions. A modern system of agreement can intelligently guide customers step-by-step through a series of questions. It can ask or omit successive questions based on previous answers or by dynamically analyzing data in other systems and existing data sources. Existing data can also be used to prefill form and agreement fields to minimize manual data entry.

For customers and agents, it's a remarkably right experience to have fields already filled in and only new, relevant questions asked. This use of automation eliminates errors, shows the value of the existing business relationship, and leaves more time to add value with a human touch.

Step 3
Leverage existing investments, but invest in closing the gaps

Most legacy systems of agreement today include various word processing, document management, enterprise resource planning (ERP), customer relationship management (CRM), or other software applications. People from legal, sales, service, underwriting, claims, and other departments live in these systems day-to-day and have their own requirements and workflows for doing their parts in the agreement process — and there's no reason to change that.

What's needed to bring these legacy systems of agreement up to modern standards is e-signature technology, first and foremost, along with the integrations and platform technologies to connect it all together. Even if you've already invested in comprehensive insurance-specific software, such as Guidewire's P&C insurance platform, you still require that crucial ability to sign agreements electronically — easily, legally, and securely. Without that, all those other technology investments made in the name of operational efficiency or customer experience are undermined the second you press "print."

Insurers with more modern systems of agreement go the extra mile, for example: they enable Salesforce users to automatically generate and send a customer-ready agreement with just a few clicks on an account record; they use AI-driven analytics to optimize workflows and improve turnaround times; and, they centralize agreement storage and searching for greater visibility, more control, and less risk in their business operations.

"We believe the industry is now in a position in which executives can embark on a digital journey to achieve real impact. It is no longer 'if' digital technologies will change the industry, it is 'how' and 'when.' The challenge—or opportunity—for incumbents in the digital transformation lies in determining the concrete steps they should be taking right now to join (if not lead) the digital revolution while maximizing existing assets."[13]

McKinsey & Company
December 2018

Step 4
Build for regulatory compliance and change

With increasingly digital and automated business processes come new challenges and opportunities for regulatory compliance. Deloitte's 2019 Insurance Regulatory Outlook identified eight regulatory trends that will have a significant impact on insurers in the near term, including cybersecurity and data privacy, the SEC's "customer best interest" standard, the "fraud epidemic," and insurtechs.[14]

"Insurtechs are harnessing the power of the latest technologies, including mobile and apps, AI, algorithms and robo-advice, smart contracts, the Internet of Things (IoT), and blockchain/distributed ledger technology (DLT). All these technology innovations have significant potential benefits for consumers. But they also pose challenges that may trigger regulatory scrutiny."[15]

Digital technology is advancing rapidly, bringing with it both opportunities and threats. Regulators — whose primary objective is to protect consumers — are only going to add complexity for insurers by requiring greater controls to prevent fraud and identity theft, ensure data privacy, improve disclosures, and increase recordkeeping.

A modern system of agreement is built to support ongoing compliance. Full audit trails, available on demand, provide the ability to view and report on exactly who — with documented identity verification — agreed to what, when, and how. The detailed legalese in agreements can be presented with collapsible sections and page breaks for more evident customer understanding and consent. Meanwhile, completed agreements can be stored in a secure, high-availability system and easily retrieved when needed. They can also be easily analyzed to uncover patterns and anomalies that improve governance. And, the underlying technology infrastructure of a modern system of agreement maintains the security, privacy, and reliability standards that meet or exceed those of the largest global companies.

To regulators, the message should be clear: you are using new technologies not only to fulfill but to enhance customer protections and regulatory compliance. That's a message customers love to hear, too.

Let's agree to agree, better.

Insurance is all about mitigating risk. Why risk customer experiences with agreement processes that are still stuck in the past? In today's digital world, there's a better way to do business.

Get to know the **DocuSign Agreement Cloud™** and digitally transform the way you do business via policies, claims, and other types of agreements. It offers more than a dozen applications and more than 350 integrations, covering the entire agreement process — from preparing and signing to acting on and managing agreements. Given the importance of agreements to the business of insurance, organizations that move to modernize quickly can realize substantial benefits in employee productivity, revenue, and customer experience, as well as gain a competitive edge against slower movers.

Learn more about the DocuSign Agreement Cloud for Insurance by visiting **Docusign for Insurance.**

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[15] Ibid